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5. Statutory Authority S.C. Code Ann. Section 58-3-140		

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- ☐ NOTICE OF GENERAL PUBLIC INTEREST
☒ NOTICE OF DRAFTING
☐ PROPOSED REGULATION
☐ EMERGENCY REGULATION
☐ FINAL REGULATION FOR GENERAL ASSEMBLY REVIEW
☐ RESUBMISSION OF WITHDRAWN REGULATION FOR GENERAL ASSEMBLY REVIEW
☐ FINAL REGULATION EXEMPT FROM GENERAL ASSEMBLY REVIEW

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PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
CHAPTER 103

Statutory Authority: 1976 Code Section 58-3-140

Notice of Drafting:

The Public Service Commission of South Carolina proposes to amend Regulations 103-331 and 103-336. The revisions are necessary to update the regulations to reflect current practices in the electric utility industry and to comply with the provisions of Commission Order No. 2009-770. Interested persons may submit comments to the Public Service Commission, Clerk's Office, 101 Executive Center Drive, Columbia, South Carolina 29210. Please reference Docket Number 2010-173-E. To be considered, comments must be received no later than 4:45 p.m. on July 1, 2010.

Synopsis:

Regulation 103-331 governs customer deposits. Regulation 103-336 governs deposit retention. One section of Regulation 103-331 allows an electrical utility to require a deposit from a customer if "the customer's past payment record to an electrical utility shows delinquent payment practice, i.e., customer has had two consecutive thirty-day arrears, or more than two non-consecutive thirty-day arrears in the past twenty-four months." Another section of Regulation 103-331 allows an electrical utility to require a deposit from a customer who "has no deposit and presently is delinquent in payments, i.e., has had two consecutive thirty-day arrears, or more than two non-consecutive thirty-day arrears in the past twenty-four months." Regulation 103-336 states "deposits shall be refunded completely with interest after two years unless the customer has had two consecutive thirty-day arrears, or more than two non-consecutive thirty-day arrears, in the past twenty-four months." References to "thirty-day arrears" in both these Regulations should be deleted to reflect current billing practices of electric utilities.

During a hearing conducted before the Commission regarding the partial waiver of Regulations 103-331 and 103-336, a utility employee witness testified that although a non-residential customer may be paying its electric bill on a regular basis, its financial condition with other customers or suppliers may be rapidly deteriorating and bankruptcy may be imminent. For these type customers, no charges for electric service are made until after the electricity already has been used, and the customer continues to use electricity until or after that bill becomes past due. The utility companies therefore expressed, and the Commission approved, a need for the ability to request a deposit from such non-delinquent non-residential customers, or for similar relief, and to retain the deposit longer than the two-year period provided for in Regulation 103-336, if necessary. Also, utility internal credit risk rating criteria to determine a non-residential customer's credit worthiness and to assess whether a customer should pay a deposit helps the utility avoid losses and subsequent write-offs to uncollectible accounts. In Order No. 2009-770, the Commission found that "providing the State's utilities with the tools to secure customer accounts when a customer is in financial distress benefits the utilities' general body of ratepayers." Thus, Regulations 103-331 and 103-336 should be amended to reflect the current billing practices of electrical utilities and the findings in Commission Order No. 2009-770.

Legislative review of these proposals will be required.